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TOWNSEND AND TOWNSEND AND CREW, LLP			RETTA, YEHDEGA	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/748,759	SCHOLL ET AL.	
	Examiner	Art Unit	
	Yehdega Retta	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 31 August 2009.

2a) This action is **FINAL**. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1,2,4,6-14,16-21 and 35 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) _____ is/are allowed.

6) Claim(s) 1,2,4,6-14,16-21 and 35 is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some * c) None of:

1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) <input type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____ .
3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date <u>11/18/09</u> .	5) <input type="checkbox"/> Notice of Informal Patent Application
	6) <input type="checkbox"/> Other: _____ .

DETAILED ACTION

Response to Amendment

This office action is responsive to the Amendment filed August 31, 2009. Applicant amended claims 1, 9, 13, 14 and 35. Claims 1, 2, 4, 6-14, 16-21 and 35 are currently pending.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1, 2, 4, 6-14, 16-21 and 35 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Claim 1 recites a plurality of advertisement generators each operable to automatically generate an advertisement set for the advertiser and the at least one keyword, each advertisement generator including a first algorithm for identifying search terms corresponding to an item to be advertised, a second algorithm for determining at least one item-specific visual element of an advertisement being created for the item, and a third algorithm for creating a link to information about the item, each generated advertisement set including at least one associated advertisement created using the determined item-specific visual element, the link to information about the item, and at least one search term matching the at least one keyword.

The specification teaches as follow:

The bid calculator may also use different algorithms for different categories of advertisements. For example, an advertiser may use an algorithm that will maximize the profit for established product lines, and a different algorithm that will maximize sales for new product lines. The advertisement manager may determine whether an advertisement set has already been submitted for the search terms of the advertisement set. [0020]

One skilled in the art will appreciate that various algorithms may be used to determine the bid amount, such as a minimum-bid algorithm, a fixed-bid algorithm, a profit-based algorithm, and a revenue-based algorithm.[0029]

However when it comes to advertisement generators the specification teaches as follows:

A method and system for identifying advertisement and search term combinations for placing advertisements along with search results is provided. In one embodiment, the advertisement system includes multiple advertisement generators that automatically create advertisement sets that each contains one or more advertisements, one or more search terms, and a link to each advertised item. The different advertisement generators may use different algorithms to automatically generate (or "create") advertisements (also referred to as the "creative"), identify search terms, and create links to form advertisement sets. [0016]

Keywords may be derived using various Information Retrieval techniques based on word frequencies, clustering algorithms that identify related keywords, and so on. One skilled in the art will appreciate that the advertisement system can be used to generate and place advertisements with an advertisement placement service (e.g., a search engine service) for use in the contexts, such as while content is being streamed to a client, on a web page through which a product can be purchased, and so on. [0017]

FIG. 1 is a block diagram illustrating components of the advertisement system in one embodiment. The advertisement system 100 includes advertisement generators 101, an advertisement manager 102, a work manager 103, and advertisement submitters 104. Each advertisement generator generates advertisement sets based on a computer algorithm and then provides the advertisement sets to the advertisement manager. Each advertisement set includes an advertisement, one or more search terms, and a link (e.g., a uniform resource locator). [0019]

As indicated above the specification teaches *different advertisement generators* may use different algorithms to automatically generate (or "create") advertisements (also referred to as the "creative"), identify search terms and create links to from advertisements. However, the

specification does not teach “**each advertisement generator** including *a first algorithm for identifying search terms* corresponding to an item to be advertised, *a second algorithm for determining at least one creative aspect* of an advertisement being created for the item, and a *third algorithm for creating a link* to information about the item. In other words, the specification does not teach each generator uses three different algorithms to create the advertisement set.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 2, 4, 6-8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Calabria et al. (US 2005/0137939).

Regarding claims 1 and 2, Calabria teaches an advertisement generators each using an algorithm to automatically generate an **advertisement sets** for advertiser and a keyword (see [0052]-[0055] [0121]); each advertisement set having a keyword and an advertisement, which includes an *item-specific visual element* (such name or title of the book); a fee calculator that calculates fee amounts for advertisements based on anticipated profitability of the advertisement sets (see [0013], [0019] – [0023] an advertisement submitter that sends to an advertisement placement service a request to place the advertisement along with content associated with the keyword at the fee amount of an advertisement set; and an advertisement manager that receives

from the advertisement generator advertisement sets, receives from the fee calculator a fee amount for each advertisement set, and provides to the advertisement submitter the selected advertisement sets that each have an advertisement, a keyword, and a fee amount (see [0035] – [0040], [0044]- [0047], [0109]). Calabria does not teach first algorithm for identifying search terms, second algorithm for determining item-specific visual element (title of a book) for an advertisement and a third algorithm for creating a link. Examiner's interpretation of an algorithm is a set of rules used to perform a task. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to know that the algorithm of Calabria would have different rules since the different tasks of identifying of a search term, determining the title or name of an item and creating a link, would require different rules and steps to perform the different tasks.

Regarding claims 4, 7, 8, Calabria teaches the advertisement manager selects one of the multiple advertisement sets based at least in part on determined likelihood of users selecting the advertisement when it is placed along with a content associated with the keyword; a database containing statistics relating to placements of advertisements and wherein the fee calculator determines anticipated profitability based on analysis of the statistics; wherein the statistics include average cost-per-click of an advertisement and average revenue-per-click (see [0120]-[0123],[0133]- [0147]).

Regarding claim 6, Calabria teaches multiple advertisement submitters where each advertisement submitter is associated with an advertisement placement service (see [0153]).

Claims 9-14, 16-21 and 35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Calabria et al. (US 2005/0137939) in view of Harik (US 2005/0065806 A1).

Regarding claims 9, 19, 35, Calabria teaches a plurality of advertisement sets being generated using a plurality of advertisement generators algorithm for each advertisement set, (see [0052]-[0055] [0121]); each advertisement set having a keyword and an advertisement; a fee calculator that calculates fee amounts for advertisements based on anticipated profitability of the advertisement sets (see [0013], [0019] – [0023]; specifying a bid amount for each advertisement set (abstract, [0014], [0022])); determining whether an advertisement set is currently submitted to an advertisement placement service for the keyword; submitting to the advertisement placement service a request to place the advertisements specified by the selected advertisement sets; analyzing the effectiveness of the placed advertisement, the effectiveness of the placed advertisement being based on at least financial benefit of placing the advertisement; and subsequently selecting advertisement sets for placement of advertisements based on the analysis, so that the selected advertisement set does not conflict with an advertisement set that is currently submitted to the advertisement placement service for the keyword (see [0018], [0019], [0052]-[0054]); when an advertisement set is not currently submitted to the advertisement placement service for the keyword, selecting one of the generated advertisement sets for submission to the advertisement placement service. Calabria does not but Harik teaches automatically creating at least one advertisement, each advertisement generator determines item-specific visual element (such as title of a book) of at least one advertisement (see [0057], [0058], [0060]-[0067], [0080]). It would have been obvious to one of ordinary skill in the art at the time of the invention to include Harik's ad creative generation operations, in Calabria's generating advertisement set, in order to generate online advertisements from Internet data by automatically determining all components for an advertiser, as taught in Harik's (see [0057]).

Regarding claims 10-14 and 16-18, Calabria teaches wherein the bid amount is based on advertising metrics, profit, revenue, etc.; placing the advertisement with search result associated with a search term matching the keyword; placing with content associated with keyword. Calabria teaches selecting a keyword combination, providing an estimate of return on investment for the bid associated with the keyword combination analyzing; the effectiveness of the placed advertisements for each-the advertisement sets, the effectiveness of an advertisement being based on at least financial benefit of placing the advertisement; and selecting advertisement sets for placement of advertisements based on the analysis (see [0035]-[0040], [0044]- [0047], [0052]-[0060], [0109], [0121]).

Regarding claims 20 and 21, Calabria teaches filtering generated advertisement sets based on frequency or desirability of keywords (see [0054]-[0059]).

Response to Arguments

Applicant's arguments filed August 31, 2009 have been fully considered but they are not persuasive.

Regarding the 112 rejection of claim 1, applicant indicates that the specification at page 4, paragraph 16, recites that "**the different advertisement generators may use different algorithms** to automatically generate (or 'create') advertisements (also referred to as the 'creative'), identify search terms, and create links to form advertisement sets." Applicant also indicates that, in addition, the same paragraph recites that, for example, "**an advertisement generator** may scan through a catalog of books that are being offered for sale by an advertiser and **generate an advertisement set** for a particular book that includes an advertisement based on

the title of the book, search terms based on the words in the title, and a link to a detailed web page associated with the book. Applicant then concludes “ Thus, Applicants' specification recites that *a single advertisement generator may "use different algorithms"* to perform each of the aforementioned tasks recited in claim 1, namely, identifying search terms, determining at least one visual element, and creating a link. Thus, for at least this reason, Applicants respectfully submit that **"each advertisement generator" including a first algorithm, second algorithm, and third algorithm, as recited in claim 1, is supported by the specification as filed"**.

Examiner respectively disagrees. The specification teaches *different advertisement generators* may use *different algorithms*, (which is understood to mean that all advertisement generators do not have to use the same algorithm), i.e., each generator may use a different algorithm. However different generators may use different algorithms does not equate to each advertisement generator use more than one algorithms to perform different tasks. The specification does not teach that each advertisement generator uses more than one algorithm; it just teaches that the advertisement generator may use a different algorithm. Therefore, the rejection of 112 first paragraph is maintained.

Applicant amended the claim to change the term “creative aspect” to “item-specific visual element”. According to applicant the “item-specific visual element” can be the title or name of the book. Even though the term “item-specific visual element” is not clearly defined in applicant's specification, but based on applicant explanation of the term, the rejection 112 first is withdrawn.

Regarding claim 1, Applicant argues that the Calabria advertisement agent 54 performs selection of an advertisement from the advertisement database but does not “generate an advertisement set for the advertiser”.

Claim 1 recites advertisement generators each operable to automatically generating advertisement set and each generated advertisement set including at least one associated advertisement created using the determined item-specific visual element, the link and at least one search term. Calabria also teaches the keyword advertisement management system includes and advertisement database 46, a keyword advertisement management system 14 may also include one or more of a keyword selection agent 52, and advertisement selection agent 54 and ROAI agent 56 (see [0041]). Calabria also teaches *for each keyword/keyword combination*, the bidding agent 50 *selects a corresponding keyword advertisement* (see [0042]). Further Calabria teaches that the bid is based on information available to the bidding agent 50 and an optimized bidding strategy algorithm and other settings within the algorithm ..., Calabria also teaches the advertisement include a link to the advertiser web site (see [0105]) (advertisements displayed in search results lists include click-through information). Calabria teaches the keyword selection agent 52 includes an algorithm for selection of keywords and keywords combinations that are included in the keyword database 48. the advertisement selection agent 54 includes an algorithm for selection of an advertisement from the database 46 that is to be matched with a given keyword or keyword combination (see [0052]). Calabria also teaches that any implementation of the keyword advertisement management system may include **algorithms** for selecting an advertisement, selecting one or more keywords and calculating a bid amount and the result of the

algorithms are combined as reflected by the AND module 440 (see fig. 7) to ultimately produce the bid (see [0121]-[0123]).

Regarding claim 6, Applicant asserts that Calabria does not teach or suggest that the advertising "on more than one PPC web site at a time" using multiple advertisement submitters. Examiner respectively disagrees. Calabria teaches (see [0117]) in the first scenario, the advertising management function is deployed and provided directly by a pay-per-click (PPC) advertising service providers (e.g. Google, Overture, etc); one advantage of this scenario is that a single keyword search engine or advertising aggregator makes usage, payments etc., much simpler to the end-user (i.e., advertiser). On paragraph [0153] Calabria teaches that the keyword advertisement system may handle multiple PPC web sites and optimize ROAI for the advertiser; may also handle more than just PPC web site, for example, traditional advertising on content web sites and associate with e-mail. The system therefore, submits advertisement to more than one PPC (for example Google and Overture).

Regarding claim 9, Examiner would like to point out that claimed step is for ***automatically creating an advertisement (for a plurality of advertisement set being generated using a plurality of advertisement generators)***. The claim also recites the advertisement generator *determining item-specific visual element* of the advertisement being created for an advertisement set. It is understood that the advertisement is automatically created and each advertisement generators use a different algorithm (different than the algorithm used for generating the advertisement set) to determine an item-specific visual element of the automatically created advertisement. It is implied that the automatically created advertisement includes a visual element (e.g. title of a book), and an algorithm is used to determine the visual

element. The algorithms are used, one for generating an advertisement set and another for determining a visual element in an advertisement. Further the claim recites each advertisement set including the respective at least one automatically created advertisement and the keyword. The combination of Calabria and Harik also teaches the claimed limitation. Calabria teaches advertisement generator including an algorithm for determining at least one item-specific visual element (title of a book). Harik teaches automatically creating an advertisement. In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Regarding claims 13 and 14, applicant argues that Calabria does not disclose, teach, or suggest that the information used by the bidding agent 380 is "collected by the common advertiser", and the "bid amount is adjusted based on the advertising metrics. Contrary to applicant's argument Calabria teaches (see [0037]) the keyword search engine may also include one or more of other results ... database 36, database 38 and data collection logic process and an *advertiser feedback* (e.g., keywords used in previous search queries, .. click-through information for previous search results. Calabria also teaches that the ROAI agent 56 includes an algorithm that provides an estimate of return on investment ... the agent may receive, for example click-through information ... from the advertiser feedback database 42 (see [0051]-[0060]).

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (571) 272-6723. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR

/Yehdega Retta/
Primary Examiner, Art Unit 3622